

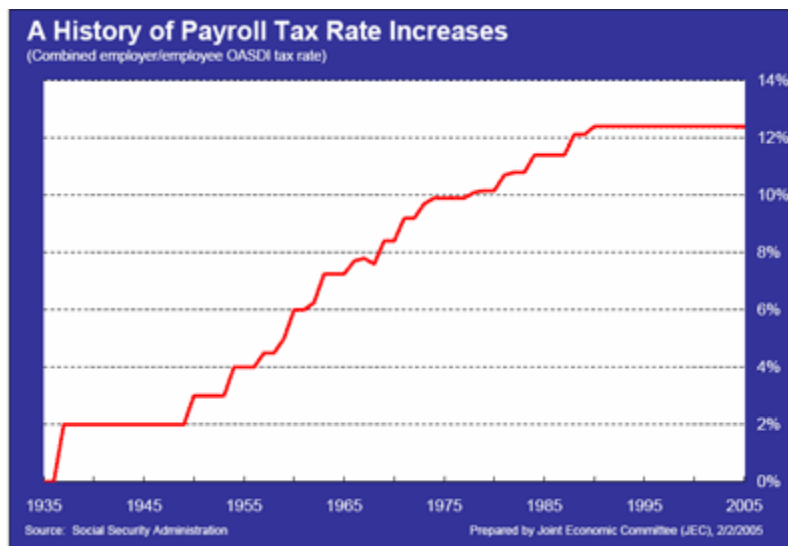


House Policy Committee

Chairman John Shadegg

SOCIAL SECURITY PAYROLL TAXES

Social Security is a pay-as-you go program in which current retirees' benefits are funded by payroll taxes assessed on current workers and their employers. The Old Age, Survivors, Disability Insurance (OASDI) programs get their funding from contributions equaling 6.2 percent of a workers' salary up to a cap of \$90,000 and a matching amount from their employers. In order to keep pace with an ever-increasing need to pay benefits, OASDI payroll taxes have risen numerous times since the program's inception:



YEAR	TAX RATE	YEAR	TAX RATE
1937	2.00	1969	8.40
1950	3.00	1971	9.20
1954	4.00	1973	9.70
1957	4.50	1974	9.90
1959	5.00	1978	10.10
1960	6.00	1979	10.16
1962	6.25	1981	10.70
1963	7.25	1982	10.80
1966	7.70	1984	11.40
1967	7.80	1988	12.12
1968	7.60	1990	12.40